

IC 21-1-3

Chapter 3. Duties of State Treasurer in the Administration of Common School Fund

IC 21-1-3-1

State treasurer to be exclusive custodian of common school fund and Indiana University permanent endowment fund; acceptance of chapter by counties

Sec. 1. On and after November 3, 1943, the treasurer of state shall be the exclusive custodian of the common school fund and the Indiana University permanent endowment fund not held in trust by the several counties. On and after November 3, 1943, the county council of the several counties of the state be and they are hereby authorized by a resolution duly adopted to elect to accept the provisions of this chapter to surrender the custody of the common school fund and the Indiana University permanent endowment fund and to order and direct that the board of county commissioners, the county auditor, and the county treasurer take any and all steps necessary to surrender the custody of said funds held in trust by the county and the amount of such funds distributed to and held in trust by any such county before November 3, 1943, shall be due and payable to the treasurer of state in the manner provided in this title and IC 20. Provided, however, that at any time, as long as this chapter shall be in full force and effect, the county council of the several counties of the state be and they are hereby authorized to elect and determine whether the county shall surrender all or any part of said funds. Said funds, if any, so retained in the custody of the county shall be loaned as otherwise provided by law. Provided, further, that any part of said funds less than the whole so surrendered by the county shall be paid to the treasurer of state immediately after such election by the county council. The state board of finance shall have full and complete management and control of such funds and is hereby authorized and directed to invest the common school funds and the Indiana University permanent endowment funds as provided in this title and IC 20.

(Formerly: Acts 1943, c.181, s.1.) As amended by P.L.2-1988, SEC.643.

IC 21-1-3-2

Acceptance by county; preparation of account by county

Sec. 2. Within ten (10) days after the passage of the resolution by the county council of any county electing to surrender the custody of said funds, the auditor of any such county shall prepare and file with the board of commissioners of such county a report showing (a) the total amount of the common school fund and the total amount of the permanent endowment fund which have been intrusted to and which are held in trust by such county; (b) the total amount of each of such funds which is loaned, as heretofore provided by law; (c) the total amount of each of such funds, if any, loaned to the county and which loan is unpaid; and (d) the total amount of each of such funds held in

cash in the possession and custody of such county and which is not loaned; and (e) a separate schedule of past due loans, which schedule shall show the unpaid balance of principal and the amount of delinquent interest due and unpaid on each delinquent loan.

(Formerly: Acts 1943, c.181, s.2.)

IC 21-1-3-3

Transfer of money from county to state treasurer; accompanying documents

Sec. 3. The board of county commissioners shall examine such reports, and, if found correct, such board shall order that such report be entered on its records, and shall thereupon order and direct the county auditor to draw his warrant, payable to the treasurer of state, for the amount of the common school fund which is not loaned and which is held in cash in the custody and possession of such county as shown by such report; and the said board of county commissioners shall, in like manner, order and direct the county auditor to draw his warrant, payable to the treasurer of state for the amount of the permanent endowment fund which is not loaned and which is held in cash in the custody and possession of such county as shown by such report. The county auditor shall thereupon forward such warrants, so issued, to the auditor of state together with a certified copy of such report. The county auditor shall also forward with such payment a certified copy of the resolution of the county council electing to surrender the custody of the common school fund and/or the Indiana University permanent endowment fund, or any part thereof so surrendered.

(Formerly: Acts 1943, c.181, s.3; Acts 1947, c.251, s.1.)

IC 21-1-3-4

Loans from funds after surrender of custody to state treasurer

Sec. 4. On and after the passage of the resolution by the county council of any county electing to surrender the custody of said funds, no part of the common school fund or of the permanent endowment fund which is in the possession and custody of any such county shall be loaned by such county or by any official thereof. All loans of the common school fund and of the permanent endowment fund outstanding and unpaid at the time of the passage of the resolution of the county council, as provided in section 1 of this chapter, shall be collected when due. Provided, however, that any loan which matures and becomes due and payable on or after the passage of the resolution by the county council, as provided in section 1 of this chapter, may be renewed for one (1) additional five (5) year period, on the application of the person owing any such loan, as provided by law. Provided, further, that no loan which is more than one (1) year delinquent in payment of principal or interest at the time of the passage of the resolution of the county council, as provided in section 1 of this chapter, shall be renewed.

(Formerly: Acts 1943, c.181, s.4.) As amended by P.L.2-1988, SEC.644.

IC 21-1-3-5

Acceptance by county; transfer of money to state treasurer; specific provisions

Sec. 5. (a) On May 1 or November 1 next after the passage of the resolution of the county council, as provided in section 1 of this chapter, and on each May 1 and November 1 thereafter, all of the money then collected and on hand belonging to either the common school fund or to the permanent endowment fund shall be paid to the treasurer of state as provided in section 3 of this chapter. In the event that at the time for any semiannual payment, the amount collected and paid to the treasurer of state in either of such funds when added to the amounts theretofore paid to the treasurer of state, including that paid under section 3 of this chapter, is less in amount than the sum obtained by adding together as many one-fortieths ($1/40$) of the amount of each such fund held in trust at the time of the passage of the resolution of the county council, as provided in section 1 of this chapter, before the provision of section 3 of this chapter is carried out, as there have been semiannual payments after the passage of the resolution by the county council, as provided in section 1 of this chapter, then the county auditor shall draw his warrant on the general fund of the county for an amount sufficient to make the payments to the treasurer of state in each of such funds equal in amount to the sum obtained by adding together as many one-fortieths ($1/40$) of the amount of each of such funds held in trust before the provision of section 3 of this chapter is carried out after the passage of the resolution of the county council, as provided in section 1 of this chapter.

(b) At the same time and in the same manner there shall be paid to the treasurer of state interest to November 1 or to May 1 on the balance of such funds held in trust by the county on October 31 or April 30 preceding, at the rate fixed by law. Provided, that whenever within the six (6) months preceding, a payment or payments of the common school fund or permanent endowment fund have been made by the county to the treasurer of state, the county shall also be chargeable with and shall also pay interest at the rate fixed by law on the amount of such payment or payments to the date of receipt thereof by the treasurer of state. In the event that the amount collected as interest on either of such funds is not sufficient to make payment to the treasurer of state of the interest as provided in subsection (a), then the county auditor shall draw his warrant on the general fund of the county for an amount sufficient when added to the amount collected as interest on such fund to pay the interest due to the state as provided in subsection (a).

(c) The board of county commissioners shall, in their annual budget estimate, include an estimate of the amount necessary to make the payments from the county general fund as required by this section, and the county council shall appropriate the amount of such estimate.

(Formerly: Acts 1943, c.181, s.5; Acts 1947, c.251, s.2.) As amended by P.L.2-1988, SEC.645.

IC 21-1-3-6

Subrogation of counties to rights of state regarding loan from funds

Sec. 6. The several counties shall be and they are hereby subrogated to all of the rights and remedies of the state of Indiana, in and to any and all loans of the common school fund and of the permanent endowment fund made from funds held in trust by such county to the extent of any and all payments made from the county general fund under any of the provisions of this chapter.

(Formerly: Acts 1943, c.181, s.6.) As amended by P.L.2-1988, SEC.646.

IC 21-1-3-7

Fines, forfeitures, and other revenues; collection; distribution and reports

Sec. 7. In all counties of the state of Indiana, all fines and forfeitures and any and all other revenue which, by law, accrues to the common school fund or to the permanent endowment fund shall be collected as provided by law, and all money so collected, shall be paid into the state treasury and shall be a part of the common school fund or of the permanent endowment fund in the custody of the treasurer of state. The county auditor shall keep a record of all fines and forfeitures and all other revenue which, by law accrues to the common school fund or to the permanent endowment fund in the records of the county. Semi-annually on May 1 and November 1, the county auditor shall issue his warrant payable to the treasurer of state in an amount equal to the total collections in the six (6) months preceding of fines and forfeitures and all other revenue which by law accrues to the common school fund or to the permanent endowment fund.

At the time of payment of principal, interest or accretions to the treasurer of state, the county auditor shall file a report with the auditor of state, which report shall set forth the amount of (a) common school fund (b) permanent endowment fund (c) interest on common school fund (d) interest in permanent endowment fund (e) fines and forfeitures (f) all other accretions included in such payment and the balance of such funds held in trust by the county. Forms for making such report shall be furnished by the auditor of state.

All money collected as interest on the common school fund or on the permanent endowment fund shall be paid into the state treasury and shall be distributed for the uses and purposes as now or hereafter otherwise provided by law.

(Formerly: Acts 1943, c.181, s.7; Acts 1947, c.251, s.3.)

IC 21-1-3-8

Investment of common school fund and permanent endowment fund

Sec. 8. The common school fund and the permanent endowment fund which is, at any time, in the custody of the treasurer of state, and subject to the management and control of the state board of

finance, except as hereinafter provided, shall be invested as follows:

(1) In bonds, notes, certificates and other valid obligations of the United States;

(2) In bonds, notes, debentures and other securities issued by any federal instrumentality and fully guaranteed by the United States;

(3) In bonds, notes, certificates and other valid obligations of any state of the United States or of any county, township, city, town or other political subdivision of the state of Indiana which are issued pursuant to law, the issuers of which, for five (5) years prior to the date of such investment, have promptly paid the principal and interest on their bonds and other legal obligations in lawful money of the United States.

When it shall occur in any county of this state not having elected to surrender custody of any part of the common and permanent endowment funds to the state, that there is an insufficient amount of said funds held in trust in such county and unloaned, when added to the amount of congressional fund then held in trust and unloaned, as shown by a report of the auditor and treasurer of the county, to make all loans for which the county auditor has applications, upon petition of the board of commissioners of any such county, the state board of finance may allocate to the county making application therefor such amount as the said state board of finance may deem necessary.

(Formerly: Acts 1943, c.181, s.8; Acts 1947, c.251, s.4.)

IC 21-1-3-9

Disbursements; securities; collections; collections under IC 21-1-5-11

Sec. 9. (a) The state board of finance shall direct all disbursement from the common school fund and from the permanent endowment fund, and the auditor of state shall draw his warrant on the treasurer of state, on properly itemized voucher officially approved by the president of the state board of finance or, in the absence of the president, by any member of said board. Except as otherwise provided by this chapter, all securities purchased for either of such funds shall be deposited with and remain in the custody of the board of finance, who shall collect all interest or other income accruing on such securities, when due, together with the principal thereof when the same matures and is due. Except as provided by subsection (b), all money so collected shall be credited to the proper fund account on the records of the auditor of state and such collection shall be deposited with the treasurer of state and reported to the state board of finance.

(b) All money collected under an agreement that is sold, transferred, or liquidated under IC 21-1-5-11 shall be immediately transferred to the purchaser, transferee, or assignee of the agreement. *(Formerly: Acts 1943, c.181, s.9.) As amended by P.L.28-1992, SEC.5.*

IC 21-1-3-10

Rules and regulations; purchase of supplies and equipment;

administrative expenses of chapter

Sec. 10. The state board of finance be and it is hereby authorized and empowered to make any and all rules, a to employ all help, to purchase all supplies and equipment, and to incur all expense necessary to properly carry out the provisions of this chapter. The expense incident to the administration of this chapter shall be paid from any money in the state treasury not otherwise appropriated upon the warrant of the auditor of state issued on a properly itemized voucher approved by the president of said state board of finance.

(Formerly: Acts 1943, c.181, s.10.) As amended by P.L.2-1988, SEC.647.

IC 21-1-3-11**Fiscal examination of fund**

Sec. 11. The state board of accounts shall annually examine the status of the common school fund and of the permanent endowment fund by a field examiner or field examiners assigned by the state examiner. Upon the completion of such examination, the examiners performing the duty shall prepare a report of the examination which shall, after showing all necessary pertinent information, show the balance of the common school and permanent endowment principal at the close of the previous examination, also the amount of interest and principal paid by each county to the board of finance since the close of the previous examination, and the balance of principal due at the date of closing of the report, also a statement of receipts and disbursements by the board of finance and a list of the securities so found to be in the possession of the board of finance, the amount of each such security, and the aggregate amount of all of the securities so held in custody, and shall sign such list in duplicate, the original of which shall be deposited with the state board of accounts, and the duplicate of which shall be kept in the files of the treasurer of state.

(Formerly: Acts 1943, c.181, s.11.) As amended by P.L.11-1987, SEC.23.

IC 21-1-3-12**Liability of county officers unchanged**

Sec. 12. Nothing in this chapter shall be construed as to relieve the county auditor of any county, or any other county officer, of any liability fixed by law not specifically changed by the provisions of this chapter.

(Formerly: Acts 1943, c.181, s.13.) As amended by P.L.2-1988, SEC.648.

IC 21-1-3-13**Supplementary construction of chapter**

Sec. 13. This chapter shall be construed as supplementary to the school fund laws in effect previous to March 8, 1943, and does not repeal any law in force for the protection of the common school fund or the permanent endowment fund.

(Formerly: Acts 1943, c.181, s.14.) As amended by P.L.2-1988,

SEC.649.

IC 21-1-3-14

Loans from permanent endowment fund to board of trustees

Sec. 14. Notwithstanding any other law to the contrary, the treasurer of state, on such terms as he prescribes and without the approval of the state board of finance, may make loans from the principal of the permanent endowment fund for Indiana University to its board of trustees.

As added by Acts 1982, P.L.132, SEC.1.